



MEETING MINUTES
CITY OF HUNTINGTON BEACH
FINANCE BOARD
WEDNESDAY, AUGUST 12, 2009 AT 6:00 PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8

- 1) **CALL TO ORDER:** At 6:10 PM, Chair Falzon called the meeting to order.
Present: Members: Corkett, Houston, Jones, and King
Absent: Vice Chair LoGrasso and Member Garcia
Also Present: Bob Wingenroth, Director of Finance, Jennifer Lampman, Budget Manager, and Carrie Gonzales, Administrative Assistant
- 2) **PUBLIC COMMENTS:**
No public comments were made.
- 3) **APPROVAL OF MEETING MINUTES:**
July 8, 2009 – Member King made a motion to approve the minutes as amended, seconded by Member Jones. The motion was approved 3-2-2. (Members Corkett and Houston abstained and Members LoGrasso and Garcia absent)
- 4) **STAFF REPORTS/BUSINESS ITEMS:**
 - a) **Chairman's Update**
Chair Falzon mentioned he spoke with the Board's new member Gabe Houston prior to tonight's meeting. He encouraged him to ask questions if he needed clarification on any item.
 - b) **Strategic Plan Update**
City's financial reserves – Bob led a discussion on the proposed Financial Reserve Policy. He stated it would be presented to City Council at the August 17 meeting with the feedback staff received from the August 3 City Council Study Session.
 - ❑ Combine the Second Tier & Economic Uncertainties funds
 - ❑ The goal is to have an Economic Uncertainties Reserve commitment equal to the value of two months of the General Fund expenditure adopted budget amount.
 - ❑ Economic Uncertainties Reserve commitment can only be made by formal City Council action. These funds will be reserved for emergency situations.
 - ❑ Should the Economic Uncertainties Reserve commitment be used, and its level falls below the minimum amount of two months of General Fund expenditures adopted budget, the goal is to replenish the fund within three fiscal years.
 - ❑ Allocation of the audited General Fund unassigned fund balance will be done as follows if, and until, the Economic Uncertainties Reserve commitment is fully funded (i.e., two months of General Fund expenditures):
 - 50% to Economic Uncertainties Reserve commitment
 - 25% to Infrastructure Fund
 - 25% to Capital Improvement Reserve (CIR) commitment



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- ❑ Once the Economic Uncertainties Reserve commitment attains full funding, unassigned fund balance will be divided as follows:
 - 25% to Infrastructure Fund
 - 25% to Capital Improvement Reserve (CIR) commitment
 - 50% to Equipment Replacement commitment

City's long-term financial plan – Bob distributed a handout titled “Draft Strategic Planning Session Financial Plan Information” and led a discussion on the proposed long-term financial plan. Bob mentioned this will be discussed at the September 8 City Council Study Session.

Jennifer led a discussion on the Proposed Budget PowerPoint from the August 3 City Council Study Session. She mentioned there would be a Public Hearing to adopt this budget at the September 8 City Council Meeting.

A brief discussion on the status of a possible annexation of Sunset Beach. No additional information available beyond that reported in the papers.

c) Cost savings suggestions – Revenue generating ideas for City Council Update

Discussed cost saving suggestions made by the Finance Board. Bob shared that the Finance Board list is separate from the employee list. The Board scanned the list to see a response for many of the suggestions while others are awaiting a response. Chair Falzon stated that he looked forward to future updates. Member Houston asked questions about parking fees and a general discussion about the fees followed. Member Houston inquired as to splitting/shortening shifts for Police officers and Fire in select cases, such as the midnight shift, as a cost saving idea. A general discussion of the suggestion followed.

d) Review of the Board's Annual Calendar

Chair Falzon led a discussion on the Finance Board calendar. The following changes were recommended:

- “Initiatives” item may be deleted from the calendar
- “Review Recommendations from Auditors” and Annual Financial Audit” items may be combined into one item entitled “Annual Financial Audit (CAFR)” to be discussed in May
- The “Finance Board Annual Report” item will be on the agenda October through January

5) OPEN/CLOSED ITEM LIST

Bob reported that representatives from the RDA were not available this evening, but are schedule to join the Board for the September meeting.

6) COMMENTS FROM BOARD MEMBERS

No comments were made from Board members.



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7) INFORMATION ITEMS

Chair Falzon thanked staff for the information items. There were questions and discussion of the Public Safety memo from Chief Small; specifically, the Board discussed the large number of visitors that come to the city in the summer.

Chair Falzon asked a question relating to the June 2009 Monthly Report – he asked for information about the reduction in benefits costs. Jennifer answered that the reduction resulted from lowering the city's contribution of the annual required contribution for benefits trusts; the prepayment of the CalPERS payment, and achieved savings in workers compensation expenses.

ADJOURNMENT

Member Jones made a motion at 8:41 PM to adjourn the meeting to Wednesday, September 9, 2009, at 6:00 PM, seconded by Member Corkett. The motion was approved 5-0-2. (Members LoGrasso and Garcia absent)

Respectfully submitted by:
Bob Wingenroth, Director of Finance
Secretary to the Finance Board